

VZCZCXRO0751
RR RUEHCHI RUEHCN RUEHDT RUEHHM
DE RUEHHI #1966/01 3240737
ZNR UUUUU ZZH
R 200737Z NOV 07
FM AMEMBASSY HANOI
TO RUEHC/SECSTATE WASHDC 6744
INFO RUEHHM/AMCONSUL HO CHI MINH 3966
RUEHXS/ASEAN REGIONAL FORUM COLLECTIVE

UNCLAS SECTION 01 OF 06 HANOI 001966

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FOR PM A/S MULL

E.O. 12958: N/A
TAGS: [MARR](#) [MOPS](#) [PREL](#) [PGOV](#) [OTRA](#) [VM](#)
SUBJECT: SCENESETTER FOR ACTING ASSISTANT SECRETARY FOR
POLITICAL-MILITARY AFFAIRS STEPHEN MULL

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Introduction

1. (SBU) Acting Assistant Secretary Mull: Mission Vietnam looks forward to welcoming you to Hanoi. Your visit will be an important contribution to the growing U.S.-Vietnam relationship, especially in advance of Vietnam taking its seat on the UNSC next year. Your visit comes on the heels of November visits by Secretary of Commerce Carlos Gutierrez, Assistant Secretary for International Organizations Kristen Silverberg, EAP Deputy Assistant Secretary Scot Marciel and Congressman Eni Faleomaveaga, Chairman of the House Asia-Pacific Subcommittee. Your discussions will allow us to highlight a broad area of bilateral cooperation that to date has lagged behind its potential, including in the security area.

2. (SBU) A series of high-level bilateral visits, the highlights of which were President Bush's trip to Vietnam in November 2006 and President Nguyen Minh Triet's Washington visit in June 2007, have helped push the bilateral relationship to a higher plane. Vietnam's desire last year to successfully host APEC and accede to the WTO also helped strengthen bilateral ties. Vietnam's recent election to a non-permanent seat on the UN Security Council during the 2008-2009 term, and its emerging leadership role in ASEAN, are also key indications of the GVN's desire to pursue a more outward looking and engaged role in the world community.

3. (SBU) Our strengthening relations are in large part due to Vietnam's realization that the United States is an important force in maintaining a stable geopolitical environment in which even "small" countries like Vietnam are assured their independence and freedom of action. Vietnam also sees in the United States an increasingly important source of financial and technical assistance and a huge market for Vietnamese goods. For these reasons, Vietnam's leaders are committed to continued progress in bilateral relations and will likely speak positively and optimistically about the future of U.S.-Vietnam ties. Differences over human rights remain, however, and lingering fears that the United States supports the overthrow of the current regime continue to complicate the relationship. China also looms as a factor coloring Hanoi's reactions to our proposals in the security realm, as discussed further below.

Counterterrorism: Case-by-Case Cooperation

4. (SBU) Vietnam says the right things about terrorism, underscoring its willingness to respond rapidly to specific cases or incidents. However, in response to our efforts, together with like-minded countries, to urge GVN participation in multilateral efforts such as the Proliferation Security Initiative and the Global Initiative to

Combat Nuclear Terrorism, the GVN has stood firm in limiting its involvement to cooperation only on a "case-by-case basis." Nonetheless, the GVN and the United States have made gradual progress in strengthening our joint counterterrorism efforts. During President Bush's visit last year, the President and his Vietnamese counterpart pledged to increase cooperation to halt the proliferation of weapons of mass destruction and related technology and materials in accordance with international and national laws and each country's capacities. The U.S.-led project to repatriate Highly Enriched Uranium (HEU) from the Nuclear Research Institute in Dalat and convert the reactor to Low Enriched Uranium (LEU), completed in mid-September, was an important deliverable on this commitment. The United States provides counterterrorism assistance to Vietnam by funding Vietnamese participation in counterterrorism-related training at the International Law Enforcement Academy (ILEA) in Bangkok, and through military-to-military exchanges with an emphasis on counterterrorism themes. We'd like to do much more.

15. (SBU) In the multilateral arena, Vietnam has signed eight out of 13 UN terrorism conventions. Approval of the remaining five is winding its way through the cumbersome GVN bureaucracy, the delay explained in part by GVN concern with its capacity to carry out obligations under the conventions. Two of the remaining conventions are reportedly in the final stages of GVN approval, while the status of the other three remains unclear.

Gradual Progress in Defense Cooperation

16. (SBU) Defense relations have advanced at a measured pace, but reflect the overall positive shift in the relationship. We conduct professional military exchanges with the People's Army of Vietnam (PAVN) in a limited but growing range of areas including military law, military nursing, public affairs, search and rescue, meteorological/ oceanographic (METOC) prediction, and disaster preparedness. PAVN officers have been invited as observers to Cobra Gold for the past four years and routinely attend U.S. Pacific

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Command-sponsored multilateral conferences. Since 1997, over sixty GVN officials, including more than thirty PAVN officers, have attended courses and seminars at the Asia Pacific Center for Security Studies (APCSS). PAVN also sent observers to the annual Cooperation Afloat Readiness and Training (CARAT) exercises this summer, and they provided very positive feedback from that opportunity. During the recent Chiefs of Defense conference in Hawaii, the PAVN Deputy Chief of the General Staff told the Pacific Commander that Vietnam was willing to do a search and rescue exercise with the United States in CY2008. This would be very positive step forward and Admiral Keating, the Commander of the USPACOM, is likely to follow up on this offer during his visit to Vietnam in December.

17. (SBU) Since 2003, U.S. Navy ships have made five port visits to Vietnam, including most recently a November 14-18 visit by two mine countermeasures ships, the USS Guardian and the USS Patriot, at Haiphong port. In July, Vietnam participated in the Pacific Partnership mission of the U.S.S. Peleliu (LHA 5). This vessel, which docked for two weeks at Danang, served as a working area for civilian and military medical professionals to provide a full range of medical, dental and construction services. In 2005, Vietnam agreed to participate in the International Military Education and Training Program (IMET), and the first two officers from the PAVN completed their IMET-sponsored (almost one year long) English language training in Texas this year. In October, we sent an additional six officers for training in the United States. This year, we have accelerated the pace of IMET and will provide a language laboratory in Hanoi using IMET funds. In addition, IMET will expand mil-mil contacts in FY08 to U.S. mobile training team visits for Search and Rescue and for military medical techniques training. This will open a new phase in bilateral military contacts. Reaching our full potential for closer cooperation in defense activities, including multilateral peacekeeping, humanitarian assistance efforts and attendance at U.S. military schools exists, is attainable, but will require time, persistence

and patience.

Expanding U.S. Naval Ship Visits

18. (SBU) While we have regularized our SOP for regular ship visits over recent years, the GVN has remained firm in limiting the frequency of port visits by U.S. Navy vessels to one a year. This restriction is frequently cited as being consistent with GVN laws that regulate visits by foreign warships; however, some other nations conduct more frequent port visits. While it may be unproductive to demand more frequent port calls, we still seek to persuade the GVN to permit more frequent access for limited, technical calls (i.e., for refueling and replenishment). This would support our overall goal of increasing routine access for U.S. Naval vessels at Vietnam's ports, while not escalating the pace of military contacts beyond a level that is comfortable for the GVN. We also hope to continue asking the GVN to participate in fly-outs and believe that the general positive trend in the relationship will result in an acceptance at some point, hopefully soon.

19. (SBU) Similarly, we hope to reverse the PAVN leadership's reluctance to participate in distinguished visitor fly-outs to U.S. Navy vessels transiting the South China Sea. To date, these have been rebuffed due to concerns over the "appearance of Vietnam's participation in joint exercises with the United States." This, clearly, is code for limiting advances in the relationship to a pace that does not discomfort the Chinese.

Peacekeeping Operations

110. (SBU) Peacekeeping Operations (PKO) are well outside the range of normal PAVN missions of protecting sovereignty and preserving the Communist Party regime. Over past years, however, the GVN has expressed increasing interest in the potential for involvement in PKO missions, especially those organized under UN auspices. We believe that Vietnam's recent election to a non-permanent seat on the UN Security Council during the 2008-2009 term has given significant impetus to this thinking. Vietnamese military leaders remain cautious, however, saying that Vietnam would focus Vietnam's PKO participation only on providing medical or engineer support missions, including demining.

111. (SBU) Several PAVN officers have already gone abroad to participate in Peace Operations Military Observer's Courses offered by several nations and in 2005 the GVN hosted a strategic-level peacekeeping seminar in Hanoi sponsored by Great Britain. PAVN leaders nonetheless have yet to discuss Vietnamese commitment to any actual PKO contingency. To move to that stage, the GVN would have to do much more to meet the remaining challenges of the lack of interoperability, the paucity of English language speakers in the

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military and complications due to funding issues.

Consequences of War

112. (SBU) In your meetings, you are likely to hear references to "consequences of war" or "legacies of war" issues. This is the catch-all term that the GVN applies to a myriad of problems, including Agent Orange(AO)/Dioxin contamination, unexploded ordnance (UXO) and land mines from the war era, and the incomplete recovery of missing Vietnamese military personnel.

113. (SBU) While scientists and GVN officials continue to debate the human impact of the 80 million liters of AO sprayed over 2.6 million hectares and 3,000 hamlets in Vietnam, recent GVN-approved studies reveal that Dioxin contamination is not widespread, but rather is concentrated in roughly 20 "hotspots." Former U.S. bases, from which Operation Ranch Hand missions were staged and AO was stored, have soil dioxin concentrations exceeding concentration levels recommended by the U. S. Environmental Protection Agency (EPA) and World Health Organization, while other areas thought to be targets of heavy aerial spraying do not currently have soil concentrations

considered hazardous to health.

¶14. (SBU) Much has been accomplished recently in turning a new leaf on the AO/Dioxin issue with regards to government-to-government relations and changing the tone of the dialogue both in meetings and in the press. On November 17, 2006 the Joint Statement between the GVN and USG on the occasion of President Bush's visit to Vietnam stated: "The U.S. and Vietnam also agreed that further joint efforts to address the environmental contamination near former Dioxin storage sites would make a valuable contribution to the continued development of their bilateral relationship." In 2005, the Department of Defense conducted a dioxin remediation workshop in Hanoi and shared the U.S. experience in dioxin remediation with GVN. Beginning in 2006, the State Department and EPA provided USD 400,000 in technical assistance to the GVN's Office 33 and MOD's Chemical Command for remediation planning and immediate interventions at the Danang airport. Congress recently appropriated an additional USD 3 million in Economic Support Funds (ESF) for "dioxin mitigation and health activities," thereby helping Vietnam to remediate areas with demonstrably high levels of dioxin and assist those with disabilities. This follows four years of USG support to build the capacity of the Vietnam Academy of Science for analysis of contaminated soils and sediment. The USG is continuing to work with the GVN, and in parallel to efforts by UNDP, Ford Foundation and other NGOs, to examine the next steps in the environmental remediation of three priority hotspots in Danang, Hoa Binh and Phu Cat airfields. Developing a partnership to share all information and best practices in environmental remediation between the DOD and MOD would be well received by the GVN.

Impacts of Remaining UXO

¶15. (SBU) Since 1989, USAID, through support from the Patrick J. Leahy War Victims Fund (LWVF) and other sources, has provided over USD 43 million to support NGOs and private voluntary organizations to develop comprehensive programs for people with disabilities. In addition, since 1993 the USG has been actively involved in assisting the people of Vietnam in overcoming the social and economic impacts of remaining UXO from the war. Vietnam was formally accepted as the 37th participant in the U.S. Humanitarian De-mining Program in June 2000, and the USG is now the largest donor of humanitarian assistance for mine action programs in Vietnam. The USG has invested over USD 37 million in a broad spectrum of programs not only to locate, remove and destroy unexploded ordnance and landmines, but also to address the UXO effects on health and livelihood of Vietnamese living in affected areas.

¶16. (SBU) Today, various NGOs conduct UXO and land mine clearance, risk education and victim rehabilitation. The USG has also donated a significant quantity of equipment to the PAVN to assist efforts in UXO and landmine clearance and return land to productive use. In 2006, the State Department provided USD 3.5 million to support UXO action and demining activities in Vietnam, almost a third of which went directly to PAVN in the form of donated demining equipment. In 2007, an additional USD 2.5 million will be provided to underwrite mine action related activities in Vietnam. In initial budgets, USG funds for demining have been cut substantially, which will force tough choices as we continue this program.

Fullest Possible Accounting

¶17. (SBU) Predating the re-establishment of diplomatic relations and normal defense contacts, U.S. military and DoD elements continue their efforts toward the fullest possible accounting of Americans

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missing from the Vietnam Conflict. Since 1988, the Joint POW/MIA Accounting Command (JPAC), a USPACOM subordinate element, has evolved to include forward Detachments in Vietnam, Laos, and Thailand/Cambodia. With its Vietnam Detachment (Det 2), it has completed 90 Joint Field Activities (JFA), which incorporated extensive research, interviews, analysis, and excavations in order to accomplish its mission. From its inception, Det 2 has forged excellent relations with its GVN counterparts (notably, the Vietnam

Office for Seeking Missing Persons or VNOSMP) Ultimately, JPAC's efforts in Southeast Asia have resulted in accounting for 880 American's who were previously unaccounted for. The foundation has been set for sustaining JPAC's success as it continues to account for the remaining 1766 missing Americans throughout Southeast Asia.

¶18. (SBU) JPAC Det 2 is currently working toward the: (1) admission of JPAC teams to research or recover cases located in select areas of high GVN sensitivity; (2) the access to information held in classified military and security ministry archives and records that have not previously been made available to USG; and (3) further assistance in resolving cases in Laos and Cambodia where members of Vietnam's armed forces might provide the largest pool of eyewitnesses.

¶19. (SBU) An area of heightened bilateral cooperation is the undertaking of investigation and recovery efforts at sea. During the Vietnam Conflict, more than 400 American aviators were lost in the waters off the coast of Vietnam. While the majority of those American's were declared dead and their remains deemed not recoverable, JPAC continues to conduct underwater investigation and survey activity when information obtained and validated has the potential to lead to a recovery. This is a resource-intensive endeavor. In December, 2006 the GVN gave its approval for the use of U.S. naval vessels to operate within their territorial waters in order to enhance JPAC's underwater investigations towards the identification of potential recovery sites.

Humanitarian Assistance

¶20. (SBU) Since 1995, U.S. Agency for International Development (USAID) programs have provided aid in legal reform, governance, economic growth, HIV/AIDS, environmental protection and disaster prevention. For FY 2007, total U.S. assistance from all agencies was about USD 86.6 million, most of which has gone towards providing health-related assistance, notably in the area of HIV/AIDS treatment and prevention. Vietnam is one of fifteen countries in the President's Emergency Plan for AIDS Relief (PEPFAR). The United States provided USD 65 million in 2007 to expand integrated HIV/AIDS prevention, care and treatment programs. This figure includes approximately USD 3.1 million dollars for the Department of Defense (DOD)-managed portion of PEPFAR HIV/AIDS programs with Vietnam's Ministry of Defense.

¶21. (SBU) Since 2000, DOD has supported a wide variety of Overseas Humanitarian, Disaster and Civic Aid (OHDCA) projects in Vietnam. Through USPACOM, the U.S. Government has sponsored the construction of eight medical clinics in Thua Thien-Hue Province, a primary school in Quang Binh Province, and two centers for disabled children in Quang Binh Province. This past summer, two additional humanitarian assistance construction projects were completed and turned over to local authorities in Central Vietnam: a medical clinic in Quang Binh Province, and a 10-room primary school in Quang Tri Province. Additionally, USPACOM has facilitated multiple donations of excess medical property to various medical facilities throughout Vietnam.

¶22. (SBU) Through a combination of Fulbright grants and the Vietnam Education Foundation (VEF), an innovative program created through legislation to facilitate the training of Vietnamese scientists, the United States sponsors over 100 students yearly for graduate study in the United States. The Fulbright program is the largest in Asia. The VEF was established with the unpaid proceeds of loans extended to the old South Vietnamese government. Another important activity is the Fulbright Education Training Program, through which 70 mid-level Vietnamese professionals receive in-country training in economics and public policy each year.

A Word on the Economy, WTO and Investment

¶23. (SBU) Vietnam today is fueled by a dynamic economy, which grew at an 8.1% rate last year. Per capita annual income jumped from about \$220 in 1994 to \$720 in 2006. The 20-year old economic reform program known as "Doi Moi" (renovation) has been effective in promoting market-oriented changes and has improved the quality of

life for many Vietnamese. Foreign trade and foreign direct investment have increased dramatically and poverty rates have

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dropped. Vietnam formally acceded to the WTO as its 150th member on January 11, 2007. Vietnam's chief exports are crude oil, textiles, footwear and aquatic products. The United States is currently Vietnam's third largest overall trade partner (behind China and Japan), but remains its largest export market. The economy still faces challenges, especially from the inherent difficulties of transforming legacy command-economy structures, systemic corruption and the slow pace of reform in many areas.

Future Prospects

¶24. (SBU) Since 1991, the GVN has sought to improve diplomatic ties both regionally and worldwide. The GVN recognizes the strategic importance of the United States in the region and the world, but is not shy about raising the specter of "peaceful evolution," or to criticize U.S. actions it perceives as outside the multilateral system. They routinely chafe over U.S. criticism of Vietnam's record of human rights and religious freedom. Nonetheless, Vietnam's leaders are also pragmatic and recognize that Vietnam's own continued economic well-being, growth and security are, in large measure, inexorably tied to its relationship with the United States.

¶25. (SBU) Vietnam has begun to explore opportunities within regional organizations, to increase joint efforts against terrorism, narcotics, maritime piracy and other issues of shared concern. Vietnam has also recently begun joint sea patrols with other neighbors in the Gulf of Thailand and has established hotlines to help facilitate coordination along sea boundaries. The recent success of the Royal Thai Navy rescue of Vietnamese seamen adrift in the Gulf of Thailand was largely credited to the use of one such hotline. Nevertheless, for historic and foreign policy reasons, the GVN is generally reluctant to speak out against its "traditional friends" such as North Korea and Iran when they engage in behavior that the rest of the international community condemns.

The China Factor

¶26. (SBU) China, again, constitutes Vietnam's most important strategic preoccupation. Relations must remain on an even keel, and Hanoi has no illusions about the relative power balance. Vietnam's huge neighbor to the north constitutes a vital and necessary commercial partner and former ally. The two nations share ideological roots. At the same time, China is perceived as a constraint to Vietnam's freedom of action, and the undertone of Beijing's dominance in the relationship has a nasty implication due to China's 1,000 year history of colonial domination. Even today, Beijing appears to be willing to set aside its core policy strategy of improving relations with nations on its periphery when faced with energy security and sovereignty issues. Both of these are coming into play as China engages in bullying of foreign companies to cause them to cease oil and gas exploration efforts in the South China Sea, as has been reported in the press.

¶27. (SBU) Sensitivity about China's possible reactions to engagement with the United States has definitely not constrained Hanoi willingness to engage on broad economic issues. We are a driver of Vietnam's integration into the world economy, which is not proceeding according to the "Chinese model." On security matters, however, GVN reluctance to engage with us more fully is attributable to concern over China's potential reaction, in particular, mixed with an institutional conservatism born out of concern over "peaceful evolution" as a real threat to the regime. Also, there is an ingrained caution on the part of Vietnam's military in the face of relative power calculations vis-à-vis China. As documented above, while progress is still being made, we are moving at a measured pace and within these constraints.

What You Can Expect

128. (SBU) You can expect your interlocutors not only to be articulate and well informed, but also to speak in terms generally supportive of growth in the bilateral relationship. As noted above, lingering suspicions still exist among conservatives in leadership about the development of closer ties with the United States, but the overall tenor is one of support and interest at a measured pace that will not upset the GVN's calibrated attempts to maintain balance among its other regional partners. Your upcoming trip to Hanoi will continue to help translate those good feelings into measurable accomplishments in the defense and security relationship.

129. (SBU) We look forward to your visit and stand ready to do everything we can to make your time in Vietnam as productive as possible.

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